

Real Estate Appraiser Board
State of Oklahoma

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)
) Complaint Nos. 21-027 and 21-034
)

CONSENT ORDER

COME NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent JASON GEISLER (“Respondent”), by and through his counsel of record, Rachel Lawrence Mor, and enter into this Consent Order pursuant to Oklahoma Statutes Title 59 §858-700, *et seq.*, and Oklahoma Administrative Code 600:10-1-1, *et seq.* All sections of this order are incorporated together. This resolves complaints 21-027 and 21-034.

COMPLAINT 21-027
AGREED FINDINGS OF FACT

1. In March of 2020, Respondent was hired to complete an appraisal (the “Appraisal”) for a property located at 230 North Buffalo Avenue, Guthrie, OK 73044 (the “Subject”). The Lender/Client was Global One Lending. Respondent completed the Appraisal with an effective date of March 26, 2020. The assignment type was for a refinance transaction. The Appraisal was purportedly performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.

2. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

General

3. Respondent's report does not provide any additional Scope of Work comments beyond the "pre-printed". There is no statement provided in the report that the appraiser utilized and relied on MLS photos. There is no proof the appraiser drove by the comparable and there is no indication the lender/client specifically stated MLS photos were acceptable.

Neighborhood

4 Factors that affect marketability were not adequately and reasonably described and neighborhood boundaries were not adequately defined.

7. The neighborhood boundaries are described as: "Neighborhood is Guthrie, Oklahoma", however, Guthrie, the county seat for Logan County, has a population of 12,123 as of the 2020 census.

8. The Appraisal report indicates that the "neighborhood" is 100% "One-Unit" housing. Data from Respondent's work file indicates search parameters of 1100-1900 sf, on .5 to 10 acres, built between 0-2010. That search produced 60 sales, yet, under the neighborhood description, the report indicated only 3 sales in the neighborhood.

10. Property values were identified as "Stable" in the One-Unit Housing Trend, however, recent data shows an increase over the past several years.

11. There is not sufficient data to support the conclusions provided in the neighborhood or market conditions section of the Appraisal.

Highest and Best Use

13. The Appraisal report accurately indicates "n/a" for no zoning.

Cost Approach

14. Respondent did not provide support for the site value.

15. The cost approach section of the Appraisal report indicates "Replacement Cost New" with a "good quality" rating from Marshall Swift. A 2016 version of Marshall Swift was used which is outdated and not be reflective of costs on the March 26, 2020.

Sales Comparison Approach

16. Sale 1 is situated on a larger, unplatted five-acre tract of land. MLS produced 10 land sales in Logan County, Guthrie school district, over the 12 months prior to the effective date of the Appraisal.

17. The 22 DOM shown on the Appraisal is inaccurate. With the number of available sales on smaller platted lots, it is inappropriate to use unplatted acreage sales to compare to the Subject's smaller 34,366 square foot platted site.

18. Sale 2 is also situated on a larger unplatted 5.39-acre tract and, like Sale 1, it is not an appropriate comparison to the Subject.

19. Sale 3 is on a slightly larger site in a private "gated" subdivision with a more modern design characteristics.

20. The overall adjustment process is not supported and buildings, lawn sprinkler systems, and basement were not mentioned.

Income Approach

21. Respondent did not provide adequate reasoning for omission of the Income Approach.

General Revisited

23. The Appraisal report does not contain sufficient information to enable the client(s) and intended user(s) who receive or rely on the report to understand it properly.
24. The comparables are not appropriate for the Subject. The quality of data has not been adequately analyzed or reconciled.
25. The value identified at \$220,000 is unsupported and misleading.
26. The sales comparison section is unsupported.
27. This series of errors all lead to a misleading value conclusion and non-credible Appraisal report.

COMPLAINT 21-034

AGREED FINDINGS OF FACT

1. In March of 2020, Respondent was hired to complete an appraisal (the "Appraisal") for a property located at 3712 St Augustine, Mustang, Ok. 73064 (the "Subject"). The Lender/Client was Global One Lending. Respondent completed the Appraisal with an effective date of April 1, 2020. The assignment type was for a refinance transaction. The Appraisal was purportedly performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.
2. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

General

3. Analysis of the sale, options, or listings of Subject property, as of the effective date

of the Appraisal and sales that occurred within three years prior, were not adequately summarized.

4. The Appraisal fails to report the prior site sales of comparables 1 & 2 that sold within the year prior to their reported comparable sale date.

5. The Appraisal report does not provide any additional Scope of Work comments beyond the "pre-printed" Scope of Work provided in the FNMA appraisal report form.

6. There is conflicting information in the report on whether or not Respondent had previously performed services on the Subject property.

Neighborhood

7. Factors that affect marketability were not adequately and reasonably described.

8. Neighborhood boundaries were not adequately and reasonably defined.

9. Market area trends were not adequately and reasonably discussed and analyzed.

10. There is no support in the report or analysis, and no explanation for the entire neighborhood section of the report.

11. The neighborhood boundaries are described as: "Neighborhood is residential Mustang, Ok but the Subject property is actually located within the Oklahoma City limits, with a Mustang postal code.

12. The Appraisal "Neighborhood Description" does not provide a complete description of the locational, transportation, school districts, distance to support facilities, medical, professional.

13. Board investigation discovered 18 sales in MLS that closed in the year prior to the effective date of the Appraisal, which are located in the Subject's immediate Canterbury subdivision.

14. The neighborhood location is mischaracterized as being "urban". The Subject is

located in a platted residential neighborhood 2.4 miles from the Mustang CBD and 12 miles from the Oklahoma City CBD. This is not an urban location; it is a suburban location.

15. Property values were identified as "Stable" but the effective date of the Appraisal was near the beginning of the Covid pandemic and some uncertainty in real estate did occur.

16. Respondent's report did not identify the relevant location, or physical and economic characteristics of the property. The Appraisal does not analyze economic supply and demand or market area trends. The report does not contain sufficient information to enable the intended user to understand the report.

Site/Highest and Best Use

17. The site was not adequately identified/defined and easements, restrictions, or other items of a similar nature were not adequately reported and considered.

18. The report does not identify known easements which are visible on the plat map.

19. R-1 zoning is accurate on the Appraisal but there was no explanation regarding the permissible uses within the R-1 zoning category.

Improvements

20. Relevant characteristics of improvements and any effect they have on value were not adequately described.

21. Relevant conditions or depreciation (physical, functional, or external) factors that were not reported and analyzed.

22. Physical characteristics on the Appraisal were limited to the "checked boxes" and "line items". No additional commentary was provided in the additional features section.

23. A one (1) year effective age was applied to the Subject for reasons of comparable sale selection. Based upon the comparison of a six (6) year old dwelling to a new dwelling, with no adjustments for age or condition, the relevant conditions or physical depreciation factors that affect the improvements have not been adequately described and considered in the valuation process.

24. The Subject should have been compared with similar aged homes from the subdivision instead of new homes outside the subdivision.

Cost Approach

- 25. The site value is not market oriented.
- 26. Respondent did not employ recognized methods and techniques.
- 27. Exclusion of the cost approach was not supported.
- 28. There was not sufficient support for site value.
- 29. No cost approach was actually performed on this Appraisal.

Sales Comparison Approach

30. Respondent did not select and identify sales similar to and from the same or similar market area to the Subject's market area.

31. Respondent did not adequately collect, verify, and report comparable sales.

32. Adequate reasoning was not provided for adjustments, analysis, opinions, and conclusions.

33. Respondent did not correctly employ recognized methods and techniques.

34. None of the three sales utilized on the report are from the Subject's immediate neighborhood.

35. Respondent provided no support for the Design (style) adjustment on Sales 2 & 3

and the MLS shows days on market for Sale 3 as “22”; the Appraisal report states 57 days.

36. Board investigation discovered 18 sales in MLS within the Subject’s immediate Canterbury subdivision.

Final Reconciliation

37. The quality and quantity of data available and analyzed within the approaches used were not adequately reconciled.

38. The applicability and suitability of the approaches used to arrive at the value conclusions were not adequately reconciled. Final reconciliation of value was not supported.

39. The value was not appropriately identified.

General Revisited

40. Site section has the correct site size and zoning, but no supporting addenda has been supplied. The description of improvements was vague. There was no explanation of why the cost approach was not developed. The sales comparison adjustments were not explained.

56. The errors in the report render the value opinion to be non-credible.

AGREED CONCLUSIONS OF LAW

1. That Respondent has violated 59 O.S. §858-723(C)(6) through 59 O.S. §858-726, in that Respondent violated:

- a) The Ethics Rule and the Conduct Section of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
- b) The Competency Rule of the Uniform Standards of Professional Appraisal Practice;
- c) The Record Keeping Rule of the Uniform Standards of Professional Appraisal Practice; and
- d) Standard 1, Standards Rules 1-1, 1-2, 1-3, 1-4, 1-5, and 1-6; and Standard 2, Standards Rules 2-1, and 2-2 of the Uniform Standards of Professional Appraisal Practice. These include the sub-sections of the referenced rules.

2. That Respondent has violated 59 O.S. §858-723(C)(8): "Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal."

3. That Respondent has violated 59 O.S. §858-723(C)(9): "Willfully disregarding or violating any of the provisions of the Oklahoma Certified Real Estate Appraisers Act."

4. That Respondent has violated 59 O.S. § 858-723(C)(6): "Violation of any of the standards for the development or communication of real estate appraisals as provided in the Oklahoma Certified Real Estate Appraisers Act."

CONSENT AGREEMENT

The Respondent, by affixing his signature hereto, acknowledges:

1. That Respondent has been advised to seek the advice of counsel prior to signing this document.

2. That Respondent possesses the following rights, among others:

- a. The right to a formal fact-finding hearing before a disciplinary panel of the Board;
- b. The right to a reasonable notice of said hearing;
- c. The right to be represented by counsel;
- d. The right to compel the testimony of witnesses;
- e. The right to cross-examine witnesses against him; and
- f. The right to obtain judicial review of the final decision of the Board.

3. The Respondent stipulates to the facts as set forth above and specifically waives his right to contest these findings in any subsequent proceedings before the Board and to appeal this matter to the District Court.

4. The Respondent consents to the entry of this Order affecting his professional practice of real estate appraising in the State of Oklahoma.

5. The Respondent agrees and consents that this Consent Order shall not be used by him for purposes of defending any other action initiated by the Board regardless of the date of the appraisal.

6. All other original allegations in this matter are dismissed.

7. Respondent acknowledges this will be placed on the Board's agenda for its next monthly meeting after receipt of the executed Order from Respondent, and notice for the Order's placement on that agenda is accepted.¹

8. All parties to this Consent Order have been represented by counsel.

9. This Consent Order may be executed in one or more counterparts, but all of such counterparts, taken together, shall constitute only one Consent Order. When delivered to the other party, facsimile and visual digital reproductions of original signatures shall be effective the same as if they were the originals.

10. This Consent Order shall be governed by the internal laws of the State of Oklahoma without regard to the conflict of law principles.

11. This Consent Order contains the entire agreement between the parties hereto and all provisions of this Consent Order are contractual and not a mere recital. The Parties acknowledge that no presentation or promise not expressly set forth in this Consent Order has been made by any of the Parties hereto or any of their agents, employees, representatives, or attorneys. No modification of, or amendment to, this Consent Order shall be valid unless it is in writing and

¹ Currently the next Board meeting is scheduled for 9:30 a.m. on January 7, 2022.

signed by the Parties. In the event any portion of this Consent Order shall be declared illegal or unenforceable as a matter of law, the remainder of the Consent Order shall remain in full force and effect.

12. This Consent Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understanding, discussions, negotiations, and commitments (written or oral). This Consent Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

13. The undersigned Respondent agrees that presentation of this Consent Order to the OREAB without the undersigned Respondent being present shall not constitute an improper *ex parte* communication between the OREAB and its counsel.

14. The Parties represent and warrant to one another that each party has authority to enter into this binding Consent Order. The OREAB represents and warrants that the undersigned have full authority to execute this Consent Order on behalf of the OREAB and bind the OREAB to the terms set forth herein.

15. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Consent Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

16. The parties acknowledge that they understand the provisions of this Consent Order.

CONSENT ORDER TO BE ACCEPTED OR REJECTED BY THE BOARD

The Oklahoma Real Estate Appraiser Board will not submit this Consent Order for the Board's consideration until its agreement and execution by the Respondent(s) and his counsel of

record. It is hereby agreed between the parties that this Consent Order shall be presented to the Board with recommendation for approval of the Board at the next scheduled meeting of the Board. The Respondent understands that the Board is free to accept or reject this Consent Order and, if rejected by the Board, a formal hearing on the complaint may be held. If the Board does not accept the Consent Order, it shall be regarded as null and void. Admissions by Respondent in the rejected Consent Order will not be regarded as evidence against him at the subsequent disciplinary hearing. Respondent will be free to defend himself and no inferences will be made from his willingness to have entered this agreement. It is agreed that neither the presentation of the Consent Order nor the Board's consideration of the Consent Order will be deemed to have unfairly or illegally prejudiced the Board or its individual members and, therefore, will not be grounds for precluding the Board or any individual Board member from further participation in proceedings related to the matters set forth in the Consent Order.

ORDER

WHEREFORE, on the basis of the foregoing Agreed Findings of Fact and Agreed Conclusions of Law, it is ordered that:

1. Respondent shall be placed on Probation for a period of ninety (90) days beginning immediately upon the date he timely completes the two (2) courses listed in paragraph 2 of this section. During the period of probation, Respondent shall provide an appraisal log on REA Form 3 to the administrative office of the Board no later than the fifth (5th) day of each month detailing all of his appraisal activity during the preceding month. The Board may select and require samples of work product from these appraisal logs be submitted for review.

2. Respondent shall take the following corrective education courses from the Appraisal Foundation:

- | | | |
|----|----------------------------|----------|
| a) | Basic Appraisal Principles | 30 Hours |
| b) | Basic Appraisal Procedures | 30 Hours |

Respondent agrees that he will successfully complete, pass the test, and provide proof of completion and passing of the tests to the Board's office for the courses completed, within sixty (60) days from the date the Board approves this Order. Failure to complete and pass the courses in a timely matter will result in suspension until the courses are passed and completed with proof of completion and passing of the tests to the Board's office.

3. Respondent shall pay an administrative fine in the amount of three thousand dollars (\$3,000), to be paid within ninety (90) days of notification of Respondent of the Board's Order imposing the administrative fine, pursuant to 59 O.S. §858-723.

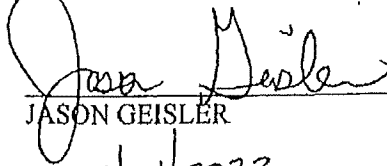
4. Failure to comply with the preceding paragraphs in a timely manner will result in an instant suspension of Respondent's license. For good cause, an extension may be granted by the Board. An application for an Extension of Time should be filed at least five business days in advance of the Board meeting to be placed on a Board meeting agenda in advance of the deadline to comply with this Consent Order.

DISCLOSURE

Pursuant to the Oklahoma Open Records Act, 51 O.S. §§24-A.1 – 24-A.21, the signed

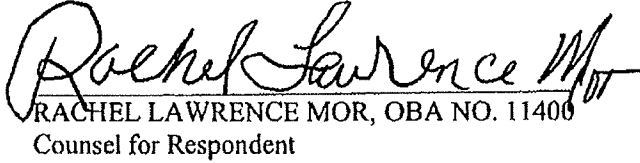
original of this Consent Order shall remain in the custody of the Board as a public record and shall be made available for public inspection and copying upon request.

RESPONDENT:


JASON GEISLER

DATE

01/04/2023

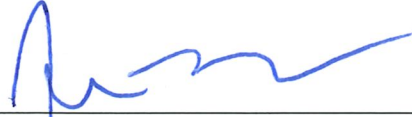

RACHEL LAWRENCE MOR, OBA NO. 11400
Counsel for Respondent

DATE

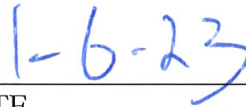
01/05/23

CERTIFICATE OF BOARD PROSECUTING ATTORNEY

I believe this Consent Order to be in the best interests of the Oklahoma Real Estate Appraiser Board, the State of Oklahoma, and the Respondent with regard to the violation alleged in the formal Complaint.



STEPHEN MCCALED, OBA #15649
Board Prosecutor
400 NE 50th Street
Oklahoma City, Oklahoma 73105



DATE

IT IS SO ORDERED on this 6th day of January 2023.



JENELLE LEPOINT, Board Secretary
Oklahoma Real Estate Appraiser Board



**OKLAHOMA REAL ESTATE
APPRAISER BOARD**

By:



BRYAN NEAL, OBA #6590
Assistant Attorney General
Attorney for the Board
313 NE 21st Street
Oklahoma City, Oklahoma 73105

CERTIFICATE OF MAILING

I, Kelly Ann Reynolds, hereby certify that on the 6th day of January 2023, a true and correct copy of the above and foregoing Consent Order was placed in the US Mail, with postage pre-paid, by Certified Mail to:

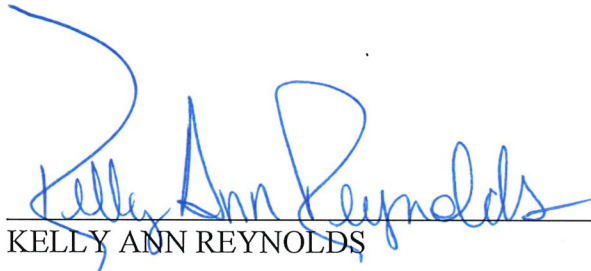
Rachel Lawrence More, Esq.
Landmark Towers West, Ste 1000
3555 NW 58th St
Oklahoma City, OK 73116

9214 8902 0982 7500 0511 30

by First Class Mail to:

Bryan Neal, Assistant Attorney General
OFFICE OF THE ATTORNEY GENERAL
312 NE 21st Street
Oklahoma City, OK 73105

Stephen L. McCaleb, Esq.
DERRYBERRY & NAIFEH, LLP
4800 North Lincoln Blvd
Oklahoma City, OK 73105



KELLY ANN REYNOLDS